

COMMONWEALTH EDISON COMPANY

ILL. C. C. NOS. 00-0230 AND 00-0244 (CONSOL.)

REBUTTAL TESTIMONY

OF

ROBERT K. MCDONALD

ILLINOIS
COMMERCE COMMISSION
APR 25 11 15 AM '00
CHIEF CLERK'S OFFICE

Q. Please state your name.

A. Robert K. McDonald.

Q. Are you the same Robert K. McDonald who previously testified in this proceeding?

A. Yes, I am.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the testimony of Staff witnesses Larson and Goldberger.

Q. Ms. Goldberger recommends that the Contribution Agreement be amended to include the "30 month provision" of Section 16-128(c) of the Public Utilities Act. Does the Company have any objection to doing so?

A. No, we do not. ComEd will revise the Contribution Agreement to include the following provision:

In the event that prior to January 1, 2005, Transferee sells or transfers the Assets to an entity that is not a majority-owned direct or indirect subsidiary of Transferor ("Third Party Transferee"), or the stock of Transferee is transferred (whether through a share exchange or otherwise) to a third party not directly or indirectly majority-owned by Transferor, Transferee shall, or shall require the Third Party Transferee to, (i) hire a sufficient number of non-supervisory employees to operate and maintain the Assets by initially making offers of employment to the non-supervisory generating group workforce employed by Transferor at the date of such sale or transfer of the Assets or stock at no less than the wage rates, and with substantially equivalent fringe benefits and terms and conditions of employment that are in effect as of such date and (ii) continue such wage rates and substantially equivalent fringe benefits and terms and conditions of

employment for at least 30 months from such date of sale or transfer unless the Transferee or Third Party Transferee, as appropriate, and the affected employees mutually agree to different terms and conditions of employment during the 30 month period commencing on such date of sale or transfer.

Q. Ms. Goldberger also recommends that the filing be amended to include the provisions of a transition plan for all employees not offered a job by the Transferee or Exelon Genco. Please respond.

A. ComEd commits to implement such a transition plan, to the extent that any non-supervisory personnel are not offered employment after the transfer. However, a transition plan for employees who are represented by the Union will be the result of negotiations between ComEd and the Union. Accordingly, it would not be appropriate for ComEd to unilaterally put forth a detailed transition plan at this time.

Q. In his direct testimony, Staff witness Larson requests that the Company provide both a load and resource plan for the 2000-04 study period that assumes 100% load retention and, where the plan shows a reserve margin less than 15%, an explanation of how the Company plans to provide reliable service. Please respond.

A. The Company has prepared the requested plan, and it accompanies my testimony as ComEd Exhibit 3.1 (confidential). The plan shows that in some years, at 100% load retention, currently contracted Genco resources would produce a reserve margin below the 15% reserve margin identified by Mr. Larson, computed in accordance with the MAIN methodology. To the extent that Genco requires additional resources to serve the ComEd load, Genco would arrange to purchase additional resources to ensure reliable service. The attached plan also indicates the level of planned resources that other entities plan to install in the ComEd control area, which, in the aggregate, greatly exceeds the amount by which currently contracted Genco resources

56 would fall below a 15% reserve margin at 100% load retention. In addition to the new
57 control area resources referenced in the plan, there will be other resources outside of the
58 ComEd control area that could be imported in the event, and to the extent, necessary.
59 ComEd also has the ability to utilize additional load management measures.

60 I note also that the transfer of ComEd's physical generating assets and contractual
61 generation resources to Genco does not change the plan in any respect from what would
62 be the case were the transfer not to occur. The plan would be exactly the same if ComEd
63 were to maintain ownership of the nuclear plants and other capacity rights. Accordingly,
64 the transfer does not adversely affect ComEd's ability to provide reliable service in any
65 respect.

66 Q. Does this conclude your rebuttal testimony?

67 A. Yes, it does